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NSC Letter, 10/31/80	
By <u>JK</u>	NARS, Date <u>3/19/81</u>

September 8, 1961

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MEMORANDUM FOR THE PRESIDENT

This is a paraphrase of the comment of one qualified observer of the Soviet motivations:

"The Soviets complain that all proposals to date have come from their side and that we have not proposed anything. As long as this situation continues, the atmosphere will continue to get worse.

They believe they have no choice but to go ahead with a peace treaty. Within that framework there are many alternatives. If we can only accept the existence of two Germanies -- not necessarily meaning any de jure recognition of the GDR -- there could be many different settlements. Let the Soviets have our proposals about West Berlin. How do we want the communications? What would we like to do about troops? They could play it in a number of ways. We could propose our own troops or UN forces, or neutrals -- they will consider any sort of proposal along these lines."

Our informant concludes from these comments that the Soviet Government has only two inflexible demands. First, that they must be allowed to sign a peace treaty, and, second, that there must be some de facto recognition for Ulbricht under a formula of recognition of two Germanies. For the rest, the inference offered is that they are prepared to be flexible.

McG. B.

cc: Mr. Sorensen

Mr. Rostow

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U.S. ARCHIVES (NLK-78-299)  
BY YMY NARS, DATE 5/1/81